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**ANNUAL AUDITED REPORT
FORM X-17A-5
PART III**

FACING PAGE
Information Required of Brokers and Dealers
Pursuant to Section 17 of the Securities
Exchange Act of 1934 and Rule 17a-5 Thereunder

SEC FILE NO.

8-51327

REPORT FOR THE PERIOD BEGINNING 01/01/02 AND ENDING 12/31/02
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER:

Official Use Only

FIRM ID. NO.

FINISH LINE TRADING GROUP, L.L.C.

ADDRESS OF PRINCIPAL PLACE OF BUSINESS:
(Do not use P.O. Box No.)

440 S. LASALLE STREET - 25TH FLOOR

(No. and Street)

CHICAGO

ILLINOIS

(City)

(State)

SECURITIES AND EXCHANGE COMMISSION
RECEIVED

FEB 21 2003
60605

(Zip Code)

DIVISION OF MARKET REGULATION

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT

RICHARD FRIEDMAN

(312) 663-8374

(Area Code -- Telephone No.)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

(Name -- if individual, state last, first, middle name)

LEAF, DAHL AND COMPANY, LTD.

6160 N. CICERO AVENUE, SUITE 410

CHICAGO

ILLINOIS

60646

(ADDRESS)

Number and Street

City

State

Zip Code

CHECK ONE:

- ☒ Certified Public Accountant
☐ Public Accountant
☐ Accountant not resident in United States or any of its possessions.

PROCESSED

FOR OFFICIAL USE ONLY

MAR 13 2003

THOMSON
FINANCIAL

* Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See section 240.17a-5(e)(2).

OATH OR AFFIRMATION

I, RICHARD FRIEDMAN, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of FINISH LINE TRADING GROUP, LLC as of DECEMBER 31 12/31/2001 are true and correct. I further swear (or affirm) that neither the company nor any partner, proprietor, principal officer or director has any proprietary interest in any account classified solely as that of a customer, except as follows:

Richard Friedman
Signature
PRESIDENT
Title

Charmaine M. Leonetti
Notary Public



This report ** contains (check all applicable boxes):

- ☒ (a) Facing page
- ☒ (b) Statement of Financial Condition
- ☒ (c) Statement of Income (loss)
- ☐ (d) Statement of Changes in Financial Condition
- ☒ (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietor's Capital.
- ☐ (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
- ☒ (g) Computation of Net Capital
- ☐ (h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3.
- ☐ (i) Information Relating to the Possession or Control Requirements Under Rule 15c3-3.
- ☐ (j) A Reconciliation, including appropriate explanation, of the Computation of Net Capital Under Rule 15c3-1 and the Computation for Determination of the Reserve Requirements Under Exhibit A of Rule 15c3-3.
- ☐ (k) A Reconciliation between the audited and unaudited Statements of Financial Condition with respect to methods of consolidation.
- ☒ (l) An Oath or Affirmation
- ☐ (m) A copy of the SIPC Supplemental Report
- ☐ (n) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit.

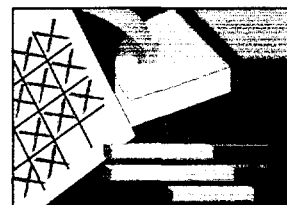
** For conditions of confidential treatment of certain portions of this filing, see section 240.17a-5(e)(3).

FINISH LINE TRADING .
GROUP, L.L.C. .

AUDIT REPORT .
.
.

FOR THE YEARS ENDED .
.

DECEMBER 31, 2002
AND 2001



FINISH LINE TRADING GROUP, L.L.C.

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FOR THE YEARS ENDED DECEMBER 31, 2002 AND 2001

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LEAF, DAHL AND COMPANY, LTD.

Certified Public Accountants

6160 NORTH CICERO AVENUE • CHICAGO, ILLINOIS 60646

INDEPENDENT AUDITORS' REPORT

To The Members
FINISH LINE TRADING GROUP, L.L.C.
Chicago, Illinois

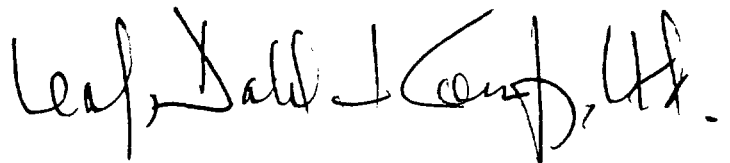
We have audited the accompanying statements of financial condition of

FINISH LINE TRADING GROUP, L.L.C.

as of December 31, 2002 and 2001 and the related statements of members' equity, earnings, cash flows and the supplementary schedule on page eight for the years ended December 31, 2002 and 2001. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the statement of financial condition is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the statement of financial condition. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall statement of financial condition presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above, together with explanatory notes thereto, present fairly, in all material respects, the financial position of Finish Line Trading Group, L.L.C., as of December 31, 2002 and 2001, and the results of its operations and its cash flows for the years ended December 31, 2002 and 2001, in conformity with accounting principles generally accepted in the United States of America



FEBRUARY 10, 2003

FINISH LINE TRADING GROUP, L.L.C.
STATEMENTS OF FINANCIAL CONDITION

DECEMBER 31, 2002 AND 2001
(See Independent Auditors' Report)

ASSETS

	<u>2002</u>	<u>2001</u>
CURRENT ASSETS:		
Cash and Cash Equivalents (NOTE 2)	\$ 248	\$ 5,705
Due From Broker	87,882	0
Marketable Securities, At Market Value (Cost \$47,900 and \$573,500 in 2002 and 2001, respectively) (NOTE 2)	<u>46,344</u>	<u>515,030</u>
Total Assets	<u>\$134,474</u>	<u>\$520,735</u>

LIABILITIES AND MEMBERS' CAPITAL

CURRENT LIABILITIES-		
Due to Broker	\$ 0	\$151,580
MEMBERS' CAPITAL (EXHIBIT IA)	<u>\$134,474</u>	<u>\$369,155</u>
Total Liabilities and Members' Capital	<u>\$134,474</u>	<u>\$520,735</u>

(THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS)

FINISH LINE TRADING GROUP, L.L.C.STATEMENTS OF CHANGES IN MEMBERS' CAPITALFOR THE YEARS ENDED DECEMBER 31, 2002 AND 2001

(See Independent Auditors' Report)

Members' Capital at January 1, 2001	\$ 435,805
Net (Loss) (EXHIBIT II)	<u>(66,650)</u>
Members' Capital at December 31, 2001	\$ 369,155
Net (Loss) (EXHIBIT II)	<u>(234,681)</u>
Members' Capital at December 31, 2002	<u>\$ 134,474</u>

FINISH LINE TRADING GROUP, L.L.C.STATEMENTS OF EARNINGSFOR THE YEARS ENDED DECEMBER 31, 2002 AND 2001

(See Independent Auditors' Report)

	<u>2002</u>	<u>2001</u>
INVESTMENT INCOME:		
Realized (Loss) Gains From Securities	\$ (54,963)	\$124,284
Dividend and Interest Income	<u>1,373</u>	<u>2,015</u>
Total Investment Income	<u>\$ (53,590)</u>	<u>\$126,299</u>
OPERATING EXPENSES:		
Bank Service Charges	\$ 259	\$ 230
Donations	100	100
Dues and Fees	14,980	15,246
Holiday Expense	650	700
Insurance	4,521	4,625
Interest Expense	1,289	6,061
Licenses	325	325
Management Fees	78,000	73,000
Miscellaneous Trading Expenses	907	3,790
Office Expense	970	558
Professional Fees	6,597	7,441
Quotation Services	3,851	4,168
Seat Lease	11,618	32,695
Trading Commissions and Fees	56,436	43,407
Utilities	<u>588</u>	<u>603</u>
Total Operating Expenses	<u>\$ 181,091</u>	<u>\$192,949</u>
NET (LOSS)	<u><u>\$(234,681)</u></u>	<u><u>\$ (66,650)</u></u>

(THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS)

FINISH LINE TRADING GROUP, L.L.C.STATEMENTS OF CASH FLOWSFOR THE YEARS ENDED DECEMBER 31, 2002 AND 2001

(See Independent Auditors' Report)

	<u>2002</u>	<u>2001</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net (Loss) (EXHIBIT II)	\$(234,681)	\$(66,650)
Adjustments to Reconcile Net (Loss) to Net Cash Provided (Used) by Operating Activities:		
Changes In Assets and Liabilities:		
Decrease (Increase) in Marketable Securities	468,686	(39,740)
(Increase) in Due from Broker	(87,882)	0
(Decrease) Increase in Due to Clearing Brokers	<u>(151,580)</u>	<u>101,698</u>
Net Cash (Used) by Operating Activities	<u>\$ (5,457)</u>	<u>\$ (4,692)</u>
 NET DECREASE IN CASH AND CASH EQUIVALENTS	 \$ (5,457)	 \$ (4,692)
 CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	 <u>5,705</u>	 <u>10,397</u>
 CASH AND CASH EQUIVALENTS AT END OF YEAR	 <u>\$ 248</u>	 <u>\$ 5,705</u>

(THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS)

FINISH LINE TRADING GROUP, L.L.C.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2002

NOTE 1 - ORGANIZATION AND NATURE OF BUSINESS

The Company is registered as a broker-dealer with the Securities and Exchange Commission (SEC) and is a member of the Chicago Stock Exchange. The Company was organized as a Limited Liability Company, in 1998, under the laws of the State of Illinois. The Company is engaged in the trading of securities and does not transact public customer accounts.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES

FAIR VALUE OF FINANCIAL INSTRUMENTS

Investments in securities traded on a national securities exchange are stated at the last reported sales price on the day of valuation; other securities traded in the over-the-counter market and listed securities for which no sale was reported on that date are stated at the last quoted price. Securities not readily marketable are valued at fair value as determined by management.

STATEMENT OF CASH FLOWS

For purposes of the statement of cash flows, the Company considers all highly liquid debt instruments purchased with a maturity of three months or less to be a cash equivalent.

FEDERAL AND STATE INCOME TAXES

The Limited Liability Company is not a taxable entity for federal income tax purposes, and thus no federal income tax expense has been recorded in the statements. Income from the Limited Liability Company is taxed directly to the members. However, the Limited Liability Company is subject to state and local income taxes in various jurisdictions.

USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTE 3 - RESERVE REQUIREMENTS

The Company is not obligated to report under SEC Rule 15c3-3 since it does not maintain customer accounts or hold securities. Therefore, the Company does not have a reserve requirement nor does it have any information relating to the possession or control requirement under Rule 15c3-3. The Company maintains a special account for exclusive benefit of customers as requested for exemption under SEC Rule 15c3-3(K)(2)(A).

LEAF, DAHL AND COMPANY, LTD.

Certified Public Accountants

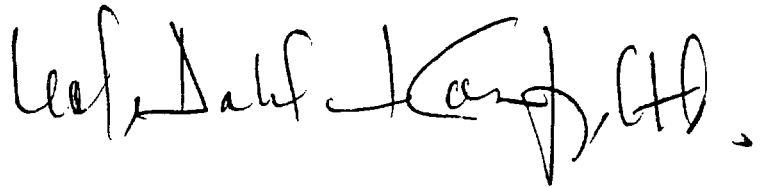
6160 NORTH CICERO AVENUE • CHICAGO, ILLINOIS 60646

To The Members
FINISH LINE TRADING GROUP, L.L.C.
Chicago, Illinois

Our audits of the basic Financial Statements for the years ended December 31, 2002 and 2001 presented in the preceding section of this report were made for the purpose of forming an opinion on such Financial Statements taken as a whole. The amended supplemental information, as required by the Securities and Exchange Commission, is presented for purposes of additional analysis.

Such information which is the responsibility of the Company's management, has been subjected to auditing procedures applied in the examination of the basic Financial Statements including examining on a test basis evidence supporting the amounts and disclosures, and, in our opinion, is fairly stated in all material respects in relation to the basic Financial Statements for the years ended December 31, 2002 and 2001 taken as a whole.

FEBRUARY 10, 2003

A handwritten signature in dark ink, appearing to read "Leaf, Dahl & Company, LLP", with a stylized flourish at the end.

FINISH LINE TRADING GROUP, L.L.C.COMPUTATION OF NET CAPITAL UNDER RULE 15c3-1 OF
THE SECURITIES AND EXCHANGE COMMISSIONDECEMBER 31, 2002 AND 2001
(See Independent Auditors' Report)

	<u>2002</u>	<u>2001</u>
NET CAPITAL:		
Total Members' Capital (EXHIBIT IA)	<u>\$134,474</u>	<u>\$369,155</u>
HAIRCUTS ON SECURITIES:		
Trading Securities	\$ 6,327	\$ 87,018
Undue Concentration	<u>232</u>	<u>15,300</u>
Total Haircuts on Securities	<u>\$ 6,559</u>	<u>\$102,318</u>
Net Capital	<u>\$127,915</u>	<u>\$266,837</u>
COMPUTATION OF BASIC NET CAPITAL REQUIREMENT:		
Minimum Net Capital Required	<u>\$100,000</u>	<u>\$100,000</u>
Excess Net Capital at 1.0000 Percent	<u>\$100,000</u>	<u>\$100,000</u>
Excess Net Capital	<u>\$ 27,915</u>	<u>\$166,837</u>

The Company does not transact public customer accounts and is therefore not required to complete this schedule.